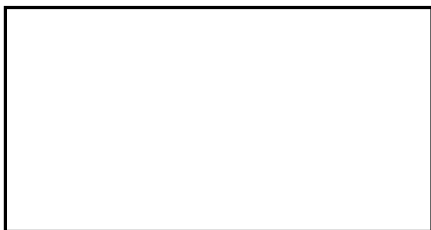


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1 December 1960

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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

1 December 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

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Communist China - Cuba: Communist China is backing up its all-out propaganda support for the Castro regime with large-scale trade and aid agreements--the largest it has yet concluded with a nonbloc country. Under an economic cooperation pact signed in Peiping on 30 November, the Chinese are to provide Cuba with a \$60,000,000 interest-free line of credit to be used between 1961 and 1965. In addition, the Chinese agreed to import 1,000,000 tons of Cuban sugar in 1961--the same amount the USSR is to accept annually under its five-year trade pact with Cuba. Under an agreement signed last July, Peiping was to accept up to 500,000 tons of Cuban sugar annually during the next five years. The new agreement was signed by Cuban National Bank president Che Guevara at the conclusion of his visit to Communist China.

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USSR-Thailand: Soviet Ambassador Nikolayev met with Thai Marshal Sarit in Bangkok on 22 November in a follow-up discussion to their first meeting on 31 October in which Sarit responded favorably to proposals for an improvement in Soviet-Thai relations. The more recent discussion apparently centered on the necessity to expand trade relations between the two countries. While no agreement was announced concerning a specific trade agreement, Sarit's second meeting with the Soviet ambassador within a month suggests that Moscow is seeking an increase in trade and cultural relations. Thai Foreign Minister Thanat, commenting on the meeting, said that there would be a further exchange of views on the matter.

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*Congo: [The Mobutu interim government, as yet unsuccessful in its efforts to apprehend the escaped Lumumba, is considering strong measures in reaction to his disappearance and to the efforts of his followers to secure their control over Orientale Province. On 29 November, Mobutu's commissioners reportedly decided to undertake military operations against Lumumba's politico-military stronghold at Stanleyville, which has been the scene of disorders since Lumumba's escape. An attempt by Mobutu to move troops to Orientale Province would pose the threat of civil war and probably would be opposed by the UN Command.

OK

On 29 November, after Lumumba partisans arrested and manhandled large numbers of Europeans on 28 November, the UN representative at Stanleyville requested UN aircraft with which to evacuate 1,000 Europeans. On 30 November, however, according to the US embassy, the UN reported Stanleyville "quiet", with evacuation no longer necessary.

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III. WATCH COMMITTEE CONCLUSIONS

- A. No Sino-Soviet bloc country intends to initiate hostilities against the United States or its possessions in the immediate future.
- B. No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the bloc in the immediate future.
- C. The situation in Laos continues in a critical phase, and general military conflict between the Phoumi and the Pathet Lao - supported Souvanna Phouma forces may ensue at any time.
- D. Other developments affording increased opportunities for exploitation by the Communist bloc:

CONGO

The flight of Lumumba from Leopoldville suggests that he intends to establish a base of operations in Stanleyville and defy the authority of the Leopoldville government. If Lumumba succeeds in this course, (there are indications that Kasavubu intends to attack Stanleyville) Lumumba is likely to request material support (including arms) and trained technical personnel from (a) the radical African nationalist states and (b) the Sino-Soviet bloc. Both the African nationalist states and the bloc would probably feel it in their own interest to endeavor to comply with such a request.

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Communist China Concludes Aid Pact With Cuba and
Agrees to Increased Trade

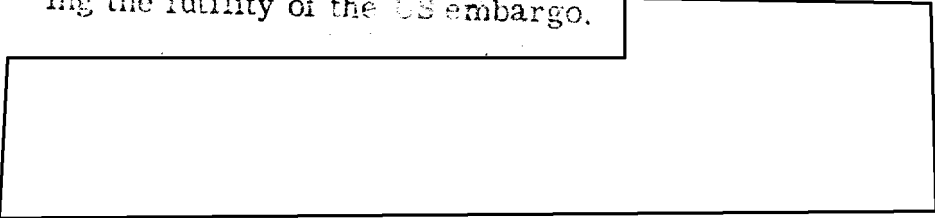
Communist China is backing up its all-out propaganda campaign in favor of the Castro regime with new economic agreements to provide tangible evidence of its support. Under an economic cooperation pact signed in Peiping on 30 November, the Chinese extended a 240,000,000 ruble (\$30, - 000,000 at the present rate) interest-free line of credit to be used to supply equipment and technical assistance between 1961 and 1965--the largest economic aid credit that Peiping has extended to a non-Sov country. In addition, China agreed to double the amount of Cuban sugar it will buy in 1961 from 500,000 to 1,000,000 tons--the same amount the Soviet Union agreed to take annually under its five-year trade pact with Cuba. The bloc now is committed to take 2, 200,000 tons of Cuba's estimated production of 5,500,000 tons in 1961.

Although no payment arrangements have been revealed, it is possible that the Chinese agreed to the same terms as the USSR--20 percent in cash and 80 percent in barter goods. The new agreements were signed by Cuban National Bank president Che Guevara at the end of his visit to Communist China.

The Chinese Communists, who lavish hospitality on all visitors, accorded exceptional attention to Guevara. Mao Tse-tung and Chou En-lai both held private talks with him, and the ambassador-designate to Cuba escorted him on a tour of the country. Peiping again drew a parallel between its history and conditions in Latin America. Asserting that Latin Americans can learn many lessons from China's example, Guevara hailed the achievements of China's communes and other social systems and forecast that Latin Americans would adopt "one of these methods or something similar" when they obtained their "liberation."

Although slow in establishing economic ties with the Cuban regime, Communist China apparently intends to make every effort to carry out its new commitments. In

July 1960, when the Sino-Cuban trade agreement was concluded, the Chinese agreed to take up to 500,000 tons of Cuban sugar annually during the next five years--more than double their average annual imports from nonbloc sources in the past. Provision was also made for future extension of a development credit. Since then, despite domestic food shortages and evidence of difficulties in fulfilling trade commitments elsewhere, the Chinese have chartered a large number of Western vessels to pick up sugar in Cuba and to deliver Chinese goods. Two shiploads of Chinese rice have already arrived in Havana amidst a strenuous Cuban and Chinese propaganda campaign stressing the futility of the US embargo.



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Director, Office of Civil and Defense Mobilization

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Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

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Commander in Chief, Pacific

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